

ORIGINAL



SOUTHWEST GAS CORPORATION



0000107751

January 25, 2010

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

JAN 28 2010

DOCKETED BY

MS

**RE: Compliance with Decision No. 71289, Docket No. G-01551A-08-0619
EPA Suspension of Energy Star Designation for Programmable
Thermostats**

Pursuant to Decision No. 71289 docketed October 7, 2009, Southwest Gas Corporation (Southwest) submits this report as a compliance item with Docket Control informing the Commission of the status of the United States Environmental Protection Agency (EPA) Energy Star designation for programmable thermostats, and to indicate whether programmable thermostats should remain eligible for incentives under the Consumer Products program.

On December 31, 2009, the ENERGY STAR designation for programmable thermostats was suspended by the EPA. In a memorandum dated May 22, 2009, in which the EPA first declared the suspension dates for the designation, the EPA acknowledged that when properly used, **programmable thermostats are an important way to save energy**. The memorandum (a copy of which is enclosed) further indicates that the EPA will highlight the proper use of these programmable thermostats in its outreach efforts.

The EPA plans to continue to advance energy efficiency through programmable thermostats and has already distributed Draft 1 Version 2.0 Revised Programmable Thermostat Specification for stakeholder review. A target implementation date for the new specification has not yet been established.

Although the ENERGY STAR label is no longer available for this product category, Southwest proposes that programmable thermostats remain eligible for incentives under the Consumer Products program. The EPA outreach efforts, coupled with Southwest's efforts, will continue to educate the general public on how to properly use programmable thermostats, which should result in continued energy savings. As acknowledged by the EPA, when programmed properly, heating and cooling systems will operate less frequently, consume less energy, and lower utility bills. Moreover, rising energy costs provide further incentive for consumers to save energy through set-back programming.



Docket Control
January 25, 2010
Page 2

Decision No. 71289 approved programmable thermostats as a measure in the Consumer Products program on a pilot basis. Additionally, Decision No. 71289 requires Southwest to verify the cost-effectiveness of this measure once it has accumulated twelve months of data. At that time, if the thermostat is not found to be cost-effective, the measure will cease to be eligible for incentives under the program.

Consistent with Decision No. 71289, Southwest requests to continue offering the programmable thermostat as a measure in the Consumer Products program until a determination is made by the Commission regarding the cost-effectiveness of the measure at the conclusion of the pilot period (October 31, 2010) and receipt of Southwest's report regarding the cost-effectiveness of programmable thermostats (December 30, 2010).

Please feel free to contact Bobbi Sterrett at (702) 364-3309 or the undersigned at (702) 876-7163 if you need further information or have any questions.

Respectfully,

Debra S. Gallo, Director
Government & State Regulatory Affairs

Enclosure

c: Julie McNeely-Kirwan, ACC
Compliance Section, ACC

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460



OFFICE OF
AIR AND RADIATION

May 22, 2009

Dear Programmable Thermostat Manufacturer or Other Interested Stakeholder:

The purpose of this letter is to outline the key steps and dates associated with the suspension of the ENERGY STAR[®] specification for programmable thermostats. As indicated in previous communications, the ENERGY STAR specification (Version 1.2) for programmable thermostats will be suspended effective on December 31, 2009.

EPA also wants to be clear that the Agency will continue to educate consumers that programmable thermostats, when properly used, are an important way to save energy. The proper use of programmable thermostats will be highlighted in Agency outreach efforts as one of a number of actions consumers can take to save energy in addition to looking for ENERGY STAR qualified products. EPA's action is not due to an issue with programmable thermostats per se, but to the importance of and need for consumer education on how to best use these thermostats to garner significant savings.

Important key steps and dates for EPA and stakeholders leading up to December 31, 2009 are provided in the table below. Major points include:

- EPA will continue to recognize ENERGY STAR qualified programmable thermostats and their manufacturers at www.energystar.gov until December 31, 2009.
- Manufacturers must stop using the ENERGY STAR name and mark in association with all products manufactured on or after December 31, 2009.
- Manufacturers can remove reference to these products being ENERGY STAR qualified on websites or in other collateral materials as these materials are reprinted or changed in the coming months so as to minimize the cost of these changes.
- EPA will maintain a webpage on programmable thermostats and their benefits when used properly that manufacturers can continue to reference.

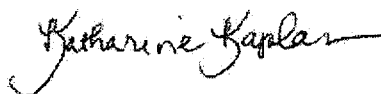
EPA will continue to explore a potential new ENERGY STAR specification for programmable thermostats and will share any new developments by informing stakeholders and posting updates on the Product Development Web site at www.energystar.gov/productdevelopment. Should these efforts translate into a new proposed set of requirements for programmable thermostats, EPA will work with stakeholders through a transparent, open, and inclusive process to finalize them.

Please feel free to share your comments or concerns with me at 202-343-9120 or kaplan.katharine@epa.gov and Christina Chang, ICF International, at 202-862-1206 or cchang@icfi.com.

Key Steps:	Key Dates:
No new Partnership Agreements will be accepted for programmable thermostats.	May 26, 2009
No new qualifying product information will be accepted from programmable thermostat partners.	September 1, 2009
Programmable thermostat products manufactured after December 31, 2009 may not be labeled with the ENERGY STAR logo. (Qualified products manufactured before that date are allowed to carry the ENERGY STAR logo. Retailers and distributors will be allowed to sell off their existing inventory of labeled products.)	December 31, 2009
No new Programmable thermostat promotional materials that use the ENERGY STAR logo may be printed. (Manufacturers are allowed to use up existing printed material, including packaging, in order to minimize waste.)	December 31, 2009
The ENERGY STAR logo must be removed from electronic media, such as company websites. (Links from manufacturer web sites to the ENERGY STAR webpage on programmable thermostats will continue to be allowed.)	December 31, 2009
EPA will no longer maintain and/or display programmable thermostat partner and product listings on its ENERGY STAR Web site.	December 31, 2009

In closing, EPA appreciates the efforts programmable thermostat partners have made to deliver ENERGY STAR qualified products to consumers and educate consumers on the proper use of these products. We remain committed to working with industry stakeholders to explore a potential new ENERGY STAR specification for programmable thermostats and we look forward to staying in touch with you on any progress.

Regards,



Katharine Kaplan
ENERGY STAR Program Manager
U.S. Environmental Protection Agency